WEEKLY ECONOMIC REVIEW

January 18, 2008

Alberta's manufacturing sales in November rose 5.9% from the same month in 2006. The increase was led by coal and petroleum products (+22.9%) and non-metallic minerals (+29.1%). Nationally, manufacturing sales were down 0.1%.

Investment in non-residential building construction in Alberta hit $2.4 billion (seasonally adjusted) in the final quarter of 2007, up 31.7% from the same quarter in 2006. Heavy investment in commercial projects (+48.2%), particularly new offices, and retail and wholesale buildings, propelled the increase. Nationally, non-residential construction investment grew 13.2% from the same quarter a year ago.

In November, sales of new motor vehicles in Alberta (seasonally adjusted) rose 4.3% from the same month in 2006. On a year-to-date basis, sales were up 4.1%. On the other hand, Canadian new vehicle sales continued to trend downward as it fell 2.9% from October, the sixth monthly decline since April.

The U.S. housing downturn continued to intensify as housing starts in December declined by a sharper-than-expected 14.2% to 1.006 million units (seasonally adjusted at annual rates), the lowest in more than 16 years. The number of building permits also hit its 14-year low, falling 8.1% to an annual rate of 1.068 million in December.

Outside the housing market, the Philadelphia Federal Reserve's manufacturing index, a key barometer of regional factory activity, contracted sharply to negative 20.9 in January from an upwardly revised negative 1.6 in December. U.S. retail sales also weakened in December, falling 0.4% from November.

Federal Reserve Chairman Ben Bernanke echoed his gloomy assessment of the U.S. economy and repeated that the Fed is ready to take "substantive" monetary action, validating expectations of a rate cut. President Bush announced a fiscal relief package worth $140-billion to help the economy.

Dismal economic data combined with large writedowns taken by Citigroup ($18.1 billion) and Merrill Lynch ($14.6 billion) pulled down global financial markets this week. Oil prices also slipped by $3.58 per barrel while the Canadian dollar retreated by a full cent.

Cdn Dollar (US¢/CS)	
January 18, 2008	97.1
January 11, 2008	98.1
2007-08 YTD	96.4
WTI Oil US$/bbl	
January 17, 2008	$ 90.13
January 10, 2008	$ 93.71
2007-08 YTD	$ 78.02
Nymex Natural Gas CS/MMBtu *	
February Contract	
January 18, 2008	$ 8.43
January 11, 2008	$ 8.44

*Estimate based on Nymex Futures Market Price

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Manufacturing Shipments (Millions)[2]	**November**			
Alberta	$5,663	2.1%	5.9%	1.6%
Canada	$50,552	1.1%	-0.1%	1.0%
New Motor Vehicle Sales (units) [2]	**November**			
Alberta	20,794	0.9%	4.3%	4.1%
Canada	132,125	-2.9%	-5.5%	1.4%

Source: Statistics Canada. [1]Year-to-date 2007 compared to the same period in 2006 [2] Seasonal adjusted